

APPENDIX A:
Contract Example

EIN:	Trust Fund Account Number:
Group Life Insurance Carrier:	Banking Institution:

Contract Number		Date	
Group Number		Member Number	
Address		Date of Birth	
Zip Code		City & State	
SSN/TID/Consular Card		Phone	
Life Insurance Policy		Beneficiaries	

Contracted Plan Term	
Maximum Number of Members for this Group	
Due date of Monthly Payments on day of Month	
Initial Real Property Value or Value of Service Contracted (R.P.C.)	\$
This value shall be increased annually starting on the twelfth month award meeting and until the repayment of one hundred percent of the obligation contracted hereunder.	
Registration Fee (0.7% x B.I.C.):	\$

MONTHLY PAYMENT SUMMARY		
A	Monthly Contribution (100% del R.P.C. ÷ Contracted Plan Term)	\$
B	Monthly Life & Disability Insurance Payment:	\$
C	Monthly Administrative Fee:	\$
AMOUNT OF FIRST MONTHLY PAYMENT DUE		\$

<p>The amounts for items A, B, and C will be adjusted annually according to the R.P.C. annual increase.</p>

CONTRACT OF ADHESION TO THE SELF-FINANCING SYSTEM THAT IS EXECUTED ON THE ONE HAND BY THE PROVIDER, AND ON THE OTHER, “THE ASSOCIATE” WHOSE GENERAL INFORMATION IS DETAILED ON THE COVER PAGE OF THIS CONTRACT, ACCORDING TO THE FOLLOWING DECLARATIONS, DEFINITIONS AND CHAPTERS.

DECLARATIONS

FIRST: The Provider is an Unincorporated Nonprofit Association.

SECOND: “The associate” declares its decision to join the system of self-financing that the “provider” is promoting, for the Acquisition of or for the service of Construction or Remodeling or Improvement of a real property of its choice, a system that has been explained to it to its satisfaction, and that it has received the manual that describes the basis of its functioning and summarizes the contents of this contract.

THIRD: “The associate” declares that it has read and understands all of the chapters of the present contract, accepts them and recognizes their legal scope, expressly confirming so with its signature on the present contract.

DEFINITIONS

For the purposes of this contract of adhesion the terms below are understood as:

SELF-FINANCING SYSTEM. A system consisting of the Integration of Groups of “Associates” who contribute monthly sums of money to be administered by “the provider”, destined for the Acquisition or for the service of Construction, Remodeling or Improvement of real property, that are awarded and delivered to “the associates” under the procedures stipulated in this contract of adhesion.

CONTRACT OF ADHESION. Document prepared unilaterally by “the provider” in order to establish a uniform format and the terms and conditions applicable to the commercialization of the contracted product or services, through Self-financing Systems.

“THE ASSOCIATE”. Is the individual or legal entity that, as a final consignee, contracts this system of self-financing for the Acquisition of a real property or service. As of the execution of the contract, “the associate” may assume the following qualities or characteristics:

“THE MEMBER”. Contractual status that “the associate” acquires after “the provider” incorporates it into a group, until it results in being an awardee.

“THE AWARDEE”. Contractual status that “the member” acquires when it or its beneficiary receives the right to receive the assets or the service, subject of this contract of adhesion, in conformity to the contract itself.

“THE AWARDED MEMBER”. Contractual status that the “awardee” acquires when it or its beneficiary receives the assets or the service contracted, according to the corresponding contract of adhesion.

“THE PROVIDER”. An Unincorporated Nonprofit Association, which promotes the Self-financing System detailed in this contract.

“THE MANAGER”. The management company that manages the Self-Financing System described in the present contract of adhesion, under a management agreement with “the provider”.

GROUP. Group of a minimum of two hundred and a maximum of three hundred “associates” integrated into the self-financing system, whose monthly contributions form a common fund destined to acquire the assets or services, through the application of the award procedures indicated in this contract of adhesion.

COMMON FUND. Group of monthly contributions of a group, available to pay the commitments derived from each Awards Meeting and to refund in such case, the monthly

contributions to “the associates” and when such is the case, to “the provider” upon extinguishing the commitments and obligations derived from the present contract.

AWARDS MEETING. A monthly meeting in which it is determined which “member” or “members” of the group which are current in the payment of their total monthly payments corresponds the right to receive the good or the service contracted through the application of the procedures provided in this contract.

CONTRACTED REAL PROPERTY OR SERVICE (HEREINAFTER C.R.P.). The initial value that “the associate” contracts for the Acquisition of a real property or the service of Construction, Remodeling or Improvement of a real property, which shall be annually adjusted with the Inflation Adjustment Factor (hereinafter I.A.F.) indicated in this contract.

CONTRACTED TERM. Term measured in number of months contracted by “the associate”, which may be ninety six, one hundred and eight or one hundred and twenty months.

REGISTRATION. Amount which “the associate”, assignee or substitute, pays when joining a group in the self-financing system, amount which shall be paid in two parts, and that shall be determined according to the contracted term, in the following manner:

CONTRACTED TERM	ON ACCOUNT OF REGISTRATION	REGISTRATION COMPLEMENT
96 MONTHS	0.7%	1.92%
108 MONTHS	0.7%	2.16%
120 MONTHS	0.7%	2.40%

The registration complement shall be paid by “the awardee” at the moment of partial or total allocation of the C.R.P. at its present value.

MONTHLY CONTRIBUTION. Amount of money that “the associate” pays on account of the C.R.P. and that results from dividing the present value of the C.R.P. including the I.A.F. by the contracted term.

CONTRACTED TERM	PERCENTAGE OF MONTHLY CONTRIBUTION AT PRESENT
96 MONTHS	1.042%
108 MONTHS	0.926%
120 MONTHS	0.833%

INFLATION ADJUSTEMENT FACTOR (IAF). Percentage that allows “the provider” to annually adjust the initial value of the real property or of the contracted and awarded services until total extinction of the obligations. Said percentage shall be equal to the XX Index published by YY in the ZZ

ADMINISTRATION FEE. Amount that “the provider” charges “the associate” in each of the monthly payments on behalf of “the manager” for the various services and acts that the latter undertakes in order to achieve the purposes of the present contract. Said amount results from applying the corresponding percentage according to the contracted term in conformity to the following table:

CONTRACTED TERM	PORCENTAGE OF MONTHLY CONTRIBUTION
96 MONTHS	5.76%
108 MONTHS	6.48%
120 MONTHS	7.20%

TOTAL MONTHLY PAYMENT: Amount of money that results from adding: the monthly contribution, the life insurance premium and the administration fee.

PRESENT VALUE. Amount that results from multiplying the number of contributions paid by the associate by the amount of the monthly contribution that in terms of this contract is then in effect.

HISTORICAL VALUE. Amount that results from adding the monthly contributions paid by “the associate” in nominal terms.

AVERAGE HISTORICAL VALUE: Amount that results from dividing the historical value figure by the number of contributions paid.

FINANCIAL VIABILITY. Is the hypothesis that the balances of all the groups of “associates” in an individual and aggregate form are not negative at the closing of each month, taking into consideration the available resources of “the provider”.

ASSOCIATE MANUAL. Information document prepared by “the provider” to make known to “the associate” the characteristics and basis of the functioning of the self-financing system that it promotes.

CHAPTER I

GROUP

I.A. GROUP CHARACTERISTICS. The group is closed with a term of ninety six, one hundred and eight, or one hundred twenty months and constituted by a minimum of two hundred and a maximum of three hundred “associates”, whom execute contracts for the Acquisition, Construction, Remodeling or Improvement of a real property, which values are heterogeneous, under the condition that that of greatest amount represents as a maximum three times that of the lowest amount.

I.B. GROUP CONSTITUTION. The group is constituted when “the provider” has integrated a minimum of two hundred and a maximum of three hundred “members” into the same group, and all have paid, at a minimum, their registration fees and the first total monthly payment.

I.C. FIRST MEETING. “The member” shall participate in the first Award Meeting of its group within one hundred and twenty calendar days following the date of this contract of adhesion.

In case of non compliance on the part of “the provider”, “the member” may rescind the contract of adhesion and request “the provider” to return the historical value of all

payments made by “the member”, including the registration fee, if any, within thirty calendar days following the notification.

I.D. SUBSTITUTIONS. “The provider” may cover the vacancies of those “associates” that were caused by cancellation or by rescission during the term of the group. The new “associate” shall pay the appropriate registration fee and monthly payments due at their present value.

CHAPTER II

TOTAL MONTHLY PAYMENTS

II.A AMOUNT OF THE TOTAL MONTHLY PAYMENT. “The associate” accepts that the amount of the monthly contribution and the other items that constitute the total monthly payment shall be updated annually according to the present value of the C.R.P., on the day of the corresponding Award Meeting. Those “associates” in the group that have delinquent payments or differences pending for payment have the obligation to pay them at their present value.

II.B. APPLICATION OF THE PRESENT VALUE. As of the twelfth Award Meeting, all the C.R.P.’s contracted or awarded to “the associates” shall be adjusted annually applying the I.A.F., until the total balance of the corresponding obligation is covered.

All total monthly payments that “associates” pay, shall be liquidated at the present value of their C.R.P. contracted or awarded to which the indicated annual increment shall be applied until the total balance is covered.

II.C. PREPAYMENTS OF TOTAL OR PARTIAL PAYMENTS. Prepayments made by a “member” or “awardee” shall be applied at present value to the last due dates in reverse order and will not be subject to the corresponding life insurance fee. In addition, any prepayments made by “awarded members”, shall not be subject to administration fees.

II.D. DUE DATE. The due date for total monthly payments is the fifth day of every month, or in such case, the following working day, so that payments made after this due date shall not be considered as timely payments.

II.E. PLACE OF PAYMENT. After the first monthly Award Meeting, all total or partial monthly payments shall be made at the branch offices of the Banking Institution that is indicated in the payment stub book that “the associate” receives from “the provider” at the signing of the present contract. “The associate” shall verify that its payment receipt is stamped and printed by the cash register of the designated institution, which shall provide absolute validity of said payment. Neither “the provider” nor “the manager” shall be liable for payments made by “the associate” to a person or institution different from the one indicated in the payment stub book.

II.F. PAYMENT BY CHECK. Any payment that is made by check, shall be issued in favor of the Provider and shall indicate on the front the contract number to which said payment shall be applied to, for its correct identification. Any returned checks issued by “the associate” shall incur a twenty percent fee over the check’s value.

II.G. TRUST ACCOUNT. “The provider” has established a trust account with the institution mentioned on the cover page of this contract the purpose of which is the due custody and the correct use of the monthly contributions that “the associates” deposit in order to fulfill the obligations and commitments established in this contract.

II.H. DEED OF TRUST. Is the document that shall be executed by “the awarded member” granting in fiduciary trust the real property acquired or constructed or remodeled or enlarged, “the provider” being the beneficiary of the trust. In said trust it shall be established that the real property shall be released upon the total extinction of the corresponding obligations.

CHAPTER III

CHANGE OF TERM AND/OR C.R.P., TRANSFER, TERMINATION, RESCISSION AND SANCTIONS

III.A. CHANGE OF THE TERM AND/OR C.R.P. Any “member” that is current in its payments may modify the contracted term and/or the value of the C.R.P., increasing or reducing them within the maximum and minimum limits of its group. For such, the present value of the payments and portions paid by “the member” shall be determined, an amount that shall be applied to the payment of the monthly contributions due, at their present value, for the new term and value of the C.R.P. that it re-contracts. If the difference is in favor of “the member”, it shall be applied to its last due dates and if not in its favor, it shall pay it immediately for the purpose that in its next monthly Award Meeting, it has the possibility of being awarded with the term and amount of the re-contracted C.R.P. This process shall be carried out at least fifteen days before the following Award Meeting.

If the change of C.R.P. is to a greater amount, “the member” shall pay the difference of its registration fee and if the change is to a lesser amount, it shall not be entitled to a reimbursement. If having changed to a lower C.R.P., “the member” cancels or rescinds its contract during the six months following the changes, the sanctions provided in chapter III.D. shall be calculated on the C.R.P. prior to its modification.

III.B. TRANSFER OF RIGHTS. “The member” or “awardee” that is current in the payment of its total monthly payments, may transfer the rights and obligations of the present contract, as long as it requests so from “the provider” at least ten days before the next Award Meeting, and that the transferee pays “the provider” the appropriate registration fee in effect at the time of the request. “The provider” provider reserves the right to qualify the transferee to determine if it should accept or reject the request according to the terms and conditions of this contract. Until “the provider” accepts the transfer request, “the member” or “awardee” shall continue meeting its obligations under this contract and be subject to its terms and conditions.

In case “the awarded member” wishes to transfer the rights and obligations of this contract, upon analysis and opinion of the application of the C.R.P., “the provider” reserves the right to accept or reject the transferee. In case “the provider” accepts the transfer request, the transferee shall sign all the documents and grant the guarantees referred to in chapter VI of this contract, and pay the registration fee and any associated costs including change of title costs associated to the present value of the C.R.P.

“The provider” and “the manager” shall not be liable for any financial arrangements or obligations incurred by or between the transferor and transferee, including any transfer expenses and taxes that said operation may cause as established by applicable laws.

III.C TERMINATION. Unless an “associate” attends an Award Meeting as defined in this contract, it may request, in writing, the termination of this contract of adhesion within five working days of the date it was signed, without incurring any cost or cancellation fees. In such case, “the provider” shall reimburse the total amount of payments made within twenty-five calendar days following the date of notification,.

III.D. CANCELLATION. “The associate” who has not been awarded may cancel this contract of adhesion prior to the end of its term. In this case, “the provider” shall reimburse, according to the terms and conditions set forth in V.C, all of the monthly contributions paid by “the associate” at historical value, minus a contractual penalty that is equivalent to:

CONTRACTED TERM	CONTRACTUAL PENALTY AT AVERAGE
96 MONTHS	2.00 CONTRIBUTIONS
108 MONTHS	2.50 CONTRIBUTIONS
120 MONTHS	3.00 CONTRIBUTIONS

III.E. RESCISSION. “The provider” may rescind this contract, due to lack of payment of two monthly payments, or for lack of proof of payment of property taxes, on the part of “the associate”. In such case, “the provider” shall reimburse, according to the terms and

conditions set forth in V.C, all of the monthly contributions paid by “the associate” at historical value, minus the contractual penalty shown in III.D.

III.F. NONCOMPLIANCE BY “THE AWARDED MEMBER”. If and when an “awarded member” fails to pay two or more monthly payments, “the provider” will consider “the awarded member” in default, and may exercise any actions it deems necessary for the purposes of obtaining repayment of the “awarded member” obligations. In such case, the payments that “the awarded member” makes, shall be applied first to the expenses generated by the actions taken, expired insurance policies, interest for late payments and finally, to the monthly payments due.

III.G. SURCHARGES FOR LATE PAYMENT. “The provider” shall charge a late payment fee equal to two times Prime-Rate to any late payments made by an “awardee” or “awarded member”. Acceptance of partial payments by “the provider” shall not relieve “the awardee” or “awarded member” of late payment fees, and shall not imply the novation or modification of the obligations of the parties to this contract.

CHAPTER IV

INSURANCE

IV.A. LIFE AND DISABILITY INSURANCE. When “the associate” is an individual, “the provider” shall contract an individual life and permanent total disability insurance on behalf of “the associate”, in accordance to applicable legislation. The purpose of this insurance will be to cover in a proportional manner, the value of the C.R.P. or the total monthly payments due after the date on which the loss occurs. The life and permanent total disability insurance policy shall be in force from the date of the first award meeting in which “the associate” participates and until the conclusion of the contracted term or until the obligations of this contract are paid in full, whichever occurs first. In case “the associate” suffers a permanent total disability or dies during the life of this contract, the following shall be in effect:

1. The Direct Award shall take effect in favor of “the member” or the beneficiaries indicated in this contract.
2. All payments due subsequent to the date on which the “awardee” or “the awarded member” suffers permanent total disability or dies, shall be paid in full.

In case “the provider” is unable to contract the life and total disability insurance, it shall notify “the associate” in writing, at least ten working days before the date on which the Award Meeting takes place.

The above shall not be applicable, when the claim for damages does not proceed within the terms of applicable insurance legislation.

In case “the associate” is partially or totally in arrears in the payment of its total monthly payment, the protection of its life and permanent total disability insurance shall be suspended and shall be reinstated when its payments are brought current. Should it die or be disabled while being partially or totally in arrears in its total monthly payment, by no means shall it nor its designated beneficiary be entitled to the corresponding benefits.

IV.B. PROPERTY INSURANCE. For the physical delivery of the C.R.P. subject of this contract of adhesion, “the associate” shall have contracted insurance against damages to the same, with a duration or obligatory extension for the entire term in which part of the value is owed and whose principal allocation is to cover the total monthly payments subsequent to the date on which the damages are verified.

For such objectives, when “the associate” results in being “the awardee”, “the provider” shall offer three different options at competitive rates that reflect market conditions and shall contract the property insurance, in the name and on account of “the associate”, with the insurance institution that the latter has previously selected in writing, in which case “the provider” may incorporate portions of the amount for said insurance into the total monthly payments.

In case “the associate” does not pay for the property insurance or any of the obligatory extensions, the Insurance protection shall be suspended and shall be re-instated at the moment in which the payment of the respective premiums is brought current. In case “the

provider” pays the cost of the premiums, to the effect of keeping the property insured, “the associate” shall be obligated to pay the amounts incurred by “the provider” including the interest for late payment generated on said amounts, at the rate indicated in clause III.G. of this contract.

CHAPTER V

AWARDS

V.A. AWARD MEETINGS. In each Award Meeting, “the provider” must award at least one good or service object of the self-financing system. Said minimum award shall be made by a procedure different from the direct award or lottery procedures. When the resources of the group are not sufficient, “the provider” must contribute the necessary capital to make the minimum Award, and that amount shall be restored to it at present value, from the total monthly payments paid by the members in the following period, as long as sufficient resources exist, once the corresponding minimum Award is made. “The provider” shall hold a monthly Award Meeting, previously notifying the members of the group, of the place, date and time, by means of an annual Meeting calendar, renewable at its expiration. In the Meeting only the members of the group that are current in the payment of their total monthly payments shall participate and their right to be awarded their contracted C.R.P. shall be determined by the procedures of: Obligatory Award or Direct Award. A notary public shall record the awards that are made.

1. OBLIGATORY AWARD. By this procedure the minimum award shall be made, awarding each member whom at the date of the Meeting and by the time of existence of its group has accumulated: a minimum of timely payments by calendar due date and a percentage paid in conformity to the following:

%	MINIMUM TIMELY		
	Term of	Term of	Term of
50%	1 to 3	1 to 4	1 to 5
47%	4 to 7	5 to 9	6 to 10
44%	8 to 11	10 to 13	11 to 14
42%	12 to 15	14 to 17	15 to 18
40%	16 to 19	18 to 21	19 to 22
38%	20 to 22	22 to 24	23 to 26
36%	23 to 24	25 to 26	27 to 29
34%	25 to 26	27 to 28	30 to 32
32%	27 to 28	29 to 31	33 to 35
30%	29	32	36

If no member accumulates the referred timely payments and the paid percentage, the minimum monthly award shall be granted in favor of “the member” that accumulates the highest paid percentage in the group on the day before the Meeting. When through the applicable procedures, two or more members result in a tie, the award shall be made in compliance to the following procedure: it shall be granted to “the member” whose contract number is lower.

2. DIRECT AWARD. In the event of death or total permanent disability of “the associate”, the direct award to the beneficiaries that “the associate” indicated in this contract of adhesion shall take effect.

V.B. NOTICE OF AWARD. “The provider” shall give notice of the award to “the member” when it results in being “the awardee”, within three business days following the Award Meeting, in person or through a telegram with return receipt.

“The awardee” shall have the right to reject the award within five working days following its notification, emphasizing that should any indication not be received within said term, “the provider” shall consider the right to the award as accepted. If the rejection

proceeds, "the awardee" shall return to its condition as "member" and the amount awarded shall be retained in the common fund of the group to be applied in following awards.

V.C. RESERVE FUND. "The provider" establishes its obligation to finance the group in the amount necessary to achieve the satisfaction of the obligations agreed upon in this contract. "The provider", from the total periodic payments that are paid by the members in the following month or months, shall recuperate this financing at its present value.

CHAPTER VI

DELIVERY OF THE PROPERTY

V.I.A. UPDATING OF THE VALUE OF THE AWARDED C.R.P.. So that the partial or total value of the awarded C.R.P. is updated until its total application, it shall be increased annually with the actualization factor referred to in this contract.

V.I.B. GUARANTEES AND REQUIREMENTS FOR THE APPROVAL OF THE APPLICATION OF THE C.R.P. "The awardee" is responsible of demonstrating to "the provider" that the monthly income it receives is sufficient to pay the present value that its pending monthly payments reach and to grant in favor of "the provider" a Deed of Trust or a secured Mortgage on the real property asset that is acquired or built or remodeled or improved. "The provider" shall select among these options, taking into account those that best guarantee the interests of the group. If "the awardee" has paid less than fifty per cent of the present value of the C.R.P. with its monthly contributions, it shall sign an acknowledgment of indebtedness and promissory notes for the total pending amount and for the renewals of Property Insurance. Said promissory notes shall be returned to "the awardee" upon the extinction of one hundred percent of the corresponding indebtedness.

V.I.C. COUNSELING, APPROVAL, ACQUISITION, PAYMENT AND DELIVERY OF THE C.R.P.

1. ADVICE ON THE INVESTMENT ON THE GOOD OR SERVICE. When “the awardee” so requires, it shall have the advice and support of “the provider” regarding the acquisition of the Property, whom, in addition, shall present to it, real property options that in its opinion meet the price and characteristics desired by “the awardee”.

If the “awardee” decides to build or remodel or improve a real property, it may have the advice and support of “the provider” who may propose to it service providers for labor and the processing and obtaining of the necessary permits from applicable authorities. For the purchase of materials, equipment and accessories, “the awardee” shall receive quotes from the providers of its choice and shall present this quotation to “the provider” who shall buy from the providers it selects, respecting the quoted prices, quality and time of delivery.

2. APPROVAL. “The provider” shall approve the transaction and acquisition when it complies with all of the following:

A) The commercial appraisal of the asset or the value of the total investment of the service is at a minimum equal to the amount of the awarded C.R.P. In case of a discrepancy, it shall be submitted to arbitration to a third party designated by “the provider”, whom shall be a licensed real estate appraiser. The professional fees of the latter shall be paid in equal portions by “the awardee” and “the provider” in the event the operation takes place. If it does not take place, the cost shall be charged to “the awardee”.

B) The asset that is to be acquired or built or remodeled or improved has no title, ownership or other type of problems and has all the documents required for a purchase/sale transaction.

C) The Acquisition does not violate any applicable legal provision that places the interests of the members of the group or of “the provider” at risk.

3. ACQUISITION AND PAYMENT OF THE PROPERTY OR SERVICE. It shall be an indispensable requirement that “the awardee” deliver its application and give its consent and full commitment in writing to “the provider” to carry out the acquisition of the property that it selected, as well as all the documents required by the “Escrow Agent”, so

that "the provider" may proceed to give an opinion and the approval of the application of the C.R.P. and the investment, having for such, a maximum term of thirty calendar days as of the date of its total receipt. If the opinion is favorable and "the awardee" has complied with the necessary requirements and guarantees, "the provider" shall proceed to send the documentation to the "Escrow Agent" of its choice and to make the corresponding arrangements with the "Escrow Agent" to obtain, within a maximum term of twenty five calendar days, starting on the date of approval of the investment: the signature on the Warranty Deed, the signature on the Deed of Trust or on the Secured Mortgage Guarantee before the corresponding "Escrow Agent" and the payment or payments to the seller of the real property.

When "the awardee" decides that its C.R.P. be invested in the service of Construction or Remodeling or Improvement of a real property, in addition it shall present to "the provider", the fixed price contract for labor for its review and approval. Should the investment proceed, "the provider" and "the awardee" shall sign the work schedule which specifies the dates and amounts of the disbursements that shall be requested in the name of the corresponding providers of the services and/or the providers of the materials. If for any circumstance work progress is not fulfilled as stipulated by the schedule, "the provider" shall suspend the disbursements, resuming them upon work progress having been brought to speed. The above does not exempt "the awardee" from the obligation to make the payment of its due monthly payments in the terms established in this contract.

If "the awardee" attempts to make a modification to its investment decision subsequent to its written commitment, it obligates itself to pay to "the provider" all the costs that may originate from this change.

If "the awardee" does not satisfy the requirements and/or guarantees, "the provider" shall notify it in person or in writing within twenty calendar days counted as of when "the provider" received the complete documentation.

VI.D. PERIOD FOR DELIVERY OF THE PROPERTY. When "the associate" becomes "the awardee", "the provider" shall deliver to it the real property or the rendering of services, within twenty-five calendar days subsequent to the satisfaction of the

guarantees and requirements indicated in this contract of adhesion. Should the above not be complied with for causes imputable to “the provider”, the latter obligates itself to pay “the awardee ” as a contractual penalty, the same number of monthly contributions that are applied for in the case of cancellation of this contract and referred to in clause III.D. at average historical value within the ten calendar days following the date on which the property or service should have been delivered.

CHAPTER VII

FORCE MAJEURE AND ACTS OF GOD

VII.A. FORCE MAJEURE AND ACTS OF GOD. In no manner shall “the provider” be liable for the refusal or lack of compliance of the obligations that it assumes in the present contract, when this is derived from a case of force majeure or acts of God, once the impediment is remedied, “the provider” shall have twenty five days in order to fulfill its obligations.

VII.B. MERGER OF GROUPS. If the common fund of a group has a high deficit due to insufficient collections or a large rate of forfeiture, “the provider” may merge it with another or other groups that are in similar circumstances, under the condition of not extending the term, nor incrementing the original number of members of the group, nor reducing the awards obtained, and with the obligation of communicating in writing, the new number and the group in which each one of the re-accommodated “associates” shall participate thereafter prior to the following monthly Award Meeting.

CHAPTER VIII

LIQUIDATION

VIII.A. LIQUIDATION. The liquidation of the group shall begin within sixty calendar days following the expiration of its term and it shall be determined if there exist in the common fund of the group a remainder to be distributed which is made up

exclusively of the sum of the contributions applied as contractual penalty to “the members” or to “the awarded members” on account of cancellation or rescission of contracts, according to that provided in clauses III.D. and III.E. If there is a remainder, 50% shall correspond to “the awarded members” that have paid the totality of their debt and it shall be distributed in proportion to their timely payments and the other 50%, to “the provider”. When “the awarded members” who have been previously notified, do not show up to receive their corresponding amount in a term of one hundred and eighty days following the liquidation of their group, it shall be understood that they waive the same and the resulting amounts shall be distributed in equal portions between “the awarded members” of the group that did show up to receive it.

CHAPTER IX

NOTIFICATIONS AND COMPETENCE

IX.A. NOTIFICATIONS. All notifications between the parties must be made in writing and made at the addresses that the same indicate in this contract of adhesion. Both parties commit to notify each other in a clear manner of any subsequent change.

Any notification that is made at the registered address shall be valid and shall have legal effect.

“The provider” commits itself to respond to “the associate” in writing, in a maximum term of ten working days, all the doubts that the latter may formulate, regarding the terms and conditions of the contract of adhesion, or of the mechanics or financial viability of the self-financing system.

“The provider” shall not be responsible for the delay of notifications made by mail or by alterations of the text of telegraphs or notices, except when they are imputable to it.

IX.B. COMPETENCE. The controversies that result by reason of the interpretation of the present contract shall be resolved by mediation at the Austin Dispute Resolution Center.

IX.C. JURISDICTION. The parties expressly subject themselves to the jurisdiction of the courts of the State of Texas, waiving all other forums that by reason of their present or future domicile may correspond to them.